



Atienza Announces P2Billion for Upland Reforestation

Committed by PGMA

Environment and Natural Resources secretary Jose Atienza, Jr. on October 27, 2008 said his department is ready to embark on a nationwide upland reforestation project which would make mountain-dwellers partners in the massive planting of fruit-bearing trees.

Atienza said he is more than optimistic about the success of this novel approach to reforestation as upland dwellers not only are to be involved in the planting, nurturing and protecting the fruit trees but, as their long-term sources of income, they would not cut them but instead care for and protect them.



Fruit Trees in the Uplands. A novel approach to reforestation and forest protection - Atienza.

The department chief said this reforestation project is part of President Arroyo's hunger mitigation measures and sustainable upland management programs.

"It was President Arroyo who ordered the allocation of an additional P2 billion to the DENR for this reforestation project she committed during her State of the Nation address," Atienza said.

The House of Representatives, he said, has already approved early this month the DENR's P12.4 billion budget, which included the P2 billion for reforestation.

(Continued on page 2)

PWPA Sets 57th General Assembly

RI Chemical Corp. and CTNi as Co-Presenters

The Philippine Wood Producers Association (PWPA) board of directors in its meeting on October 8, 2008 set the final date of the 57th Annual General Assembly of its members on November 7, 2008 at the Manila Golf and Country Club, Forbes Park, Makati City.

Together with the PWPA, the RI Chemical Corp. and its sister company, Claveria Tree Nursery, Inc. (CTNi) have been requested to be this year's event co-presenters.

Department of Environment and Natural Resources (DENR) secretary Jose Atienza, Jr. earlier agreed to be the guest speaker of the General Assembly. He intimated to the key officers of PWPA who extended the invitation to him that it would be a an opportuned occasion for him to announce some DENR key policies on the protection of the forest resources and assistance to the wood industry.

In November last year, secretary Atienza, then fresh from his appointment by the President Gloria Macapagal-Arroyo as



Gearing Towards 57th General Assembly. PWPA board of directors discusses the plan for the Annual General Assembly of Members. VP-director Ramon Uy (first from left) chairs the steering committee for the third time.

the new DENR head, together with the chairperson of the Upper House's Committee on Environment and Natural Resources, senator Pia Cayetano, guested the

(Continued on page 2)

HPVA's "New" Certification and Testing Program

The Hardwood Plywood and Veneer Association (HPVA) is offering enhanced services to meet product testing and certification program needs. With the new California formaldehyde product emission standards for composite wood products (CARB) taking effect in January 2009, and more related requirements in other environmental stewardship programs on the near horizon, HPVA is prepared to meet such services. HPVA is approved by California as a third party certifier. For more information on CARB formaldehyde testing visit HPVA's website www.hpva.org.

At its Reston testing facility in Virginia, HPVA has made necessary upgrades in its pre-conditioning room to meet stringent, new requirements for zero background levels as well as new DNPH analytical testing capability and new small scale chamber capacity for QC testing that combines with its almost 25 years of large-scale chamber testing experience.

Experience counts and HPVA has also completed the certification requirements for the International Accreditation Service (IAS) for ISO 65. This builds off the IAS accreditation for the fire testing that has also been a mainstay of HPVA's testing and certification program.

The Reston facility has sufficient capacity to meet the testing needs of both association members and non-members of the association with testing facilities on both the East and West coasts of the US.

HPVA continues to offer fire and flame spread and physical performance product testing. For more information and prices, visit HPVA's website.

An industry leader because of its considerable expertise, the HPVA technical laboratory includes wood science, fire, and chemistry professionals and can handle many laboratory testing and R&D needs.

PWPA Sets...

(Continued from page 1)

56th General Assembly of the PWPA members.

The board of directors also approved the programme of year's General Assembly presented by the steering committee chairman, director Ramon Uy: the annual business meeting of the membership and the elections of the in-coming directors of the board; a colloquium recommended by co-presenters RI Chemical Corp. and CTNi; and the dinner affair with the guest of honor and speaker, guests from government agencies and the sponsors.

RI Chemical Corp. is the local manufacturer/distributor of glues used in plywood manufacturing. CTNi propagates and markets genetically superior cloned forest tree seedlings.

The steering committee likewise proposed to the directors of the board to give the PWPA's rarely-presented Molawin Award to Isabela Province governor Grace Padaca, subject to her availability, to recognize her successful anti-illegal logging campaign being undertaken jointly with the DENR.

The General Assembly is expected to be attended by the regular, associate and affiliate members of the PWPA and to be supported by a number of generous sponsors and advertisers, chair Uy told the directors of the board.

In approving the date and programme of the General Assembly, the directors of the board urged all officers and members of the PWPA to exert their utmost efforts to make it again a success.

Atienza Announces...

(Continued from page 1)

"Several millions of our countrymen live in upland areas. They will be principally responsible in planting and nurturing the trees. They will also be the principal beneficiaries of the fruits of their labor, which will benefit us and the earth as well," Atienza said.

"We must find better ways of having our upland communities attain higher productivity with the help, rather than the sacrifice, of our forests," he said further.

He said the President has envisioned a nationwide upland development plan anchored on agro-forestry and reforestation.

He said the agro-forestry initiative will also turn upland dwellers into "stewards" of their own environment, which is actually the best way of protecting the country's natural resources.

Aside from LGUs, Atienza said that non-government and peoples' organizations as well as the church and other sectors concerned will be consulted.

The Forest Management Bureau under his department is now finalizing the plan of action, including the implementation of an effective information, education and communications program for both project implementers and project recipients.

Main source: <http://denr.gov.ph>

WoodStock

Bi-monthly publication of the
Philippine Wood Producers Association

EDITORIAL BOARD

Fernando A. Lu, Chairman of the Board
Antonio C. Olizon, President
L.D. Angeles, Managing Editor
M. R. Vasquez, Newsletter Editor

E-mail us at :

info@pwpa.org.ph or
philwood@globelines.com.ph
for your comments, feedback
or letters to the Editor

Atienza Orders Auction of Seized Hot Logs

Isabela Governor Padaca Commended

Environment and Natural Resources secretary Jose Atienza, Jr. on September 25, 2008 ordered the auction of illegally cut logs seized recently by a composite team of the DENR, the Isabela provincial government, the police and the military as he commended Isabela Governor Grace Padaca for her determination in protecting the natural wealth of Isabela, particularly its forests.

“The contraband logs will be sold to the highest bidder on ‘as is, where is’ basis,” Atienza said.

“We do not relish this task. But rather than leaving the seized logs exposed to the elements and eventually rendered useless, steps must be taken to make the contraband logs to serve a productive purpose,” he added.

The illegally cut logs, worth nearly P3 million, were cut by poachers from the Northern Sierra Madre Natural Park. The confiscation netted some 2,059 pieces of assorted hardwood (narra, red lauan, tanguile), measuring 158,618 board feet.

Padaca has been waging an uphill battle against decades-old illegal logging activities in Isabela, particularly in logging towns where many residents earn their livelihood as *atcheros* (chain saw operators) and *bogaderos* (log transporters).

“Governor Padaca’s effort not only addresses the very critical issues on why Isabela’s natural wealth

should be protected for the benefit of the majority but seeks to put the socio-political and economic dynamics of the province in their proper perspective. Indeed, her states-womanship makes her larger than life for us all in government service to emulate,” Atienza said.

The DENR chief also asked top officials of the Armed Forces and the Philippine National Police to extend all possible assistance to Padaca’s campaign to enforce environmental laws. The lady governor was deputized recently by Atienza as environment and natural resources officer, a position which gives her the authority to arrest and file charges against violators of environmental laws.

A part of the proceeds of the sale of confiscated logs will fund the efforts of Padaca in her campaign against timber poaching in Isabela’s forested towns located within the 359,846-hectare natural park. Padaca firmly adheres to the protection and preservation of Isabela’s natural park because water from its forests irrigates the province’s rice-fields which now produce more rice than Nueva Ecija, once considered as the country’s rice granary.



Fighter against Illegal Logging. Isabela Province Governor Grace Padaca gives interview about her fight to arrest illegal logging in the province.

To Plant One Million Trees in Sierra Madre Watershed

Environment and Natural Resources secretary Jose Atienza, Jr. the Memorandum of Agreement (MOA) with Rotary International D-3780 District Governor Alexander Cureg and Tanay Mayor Rafael Tanjuatco signed with to formalize their joint commitments to rehabilitate the Kaliwa Watershed located in the southern Sierra Madre mountain range.

Secretary Atienza welcomed the initiative of the said Rotary International and the local government of Tanay to partner with the DENR to plant one million trees within five years at the Kaliwa Watershed.

“The Kaliwa Watershed needs immediate rehabilitation and enhancement of its biodiversity not only for the people of Tanay and Rizal but also for all the residents of Metro Manila,” Atienza said.

Aside from being a source of water, Kaliwa watershed is an eco-diversity area with high eco-tourism potential. It is also home to three indigenous peoples groups, namely the Kaliwa Dumagat, Kanan Dumagat and Remontado.

Watersheds are forest land reservations established to protect or improve the conditions of the water yield and to reduce sedimentation. DENR records show there are about 140 critical watersheds in the country needing immediate rehabilitation.

Under the MOA, the DENR, through its National Capital Region and Region 4A offices will be providing an initial 50,000 seedlings of assorted forest trees aside from its identifying and designating suitable areas within the Kaliwa Watershed where the Rotary International D-3780 and Tanay Municipality, Rizal, can adopt and conduct tree planting and forest protection activities.

Main source: <http://denr.gov.ph/>

Foresters Play Vital Role in Combating Climate Change - Atienza

Department of Environment and Natural Resources (DENR) secretary Jose Atienza, Jr. on Wednesday (17 September 2008) sought the much needed support of foresters nationwide in genuinely addressing the problem of climate change.

Speaking before the more than 700 participants in the 60th Anniversary and Annual Convention of the Society of Filipino Foresters, Inc. (SFFI) held in Tagbilaran City, Atienza said, "they play a very important role now especially that the effects of global warming are imminent."

Atienza took note of the event's theme: "Bridging collective actions on climate change and food security" by saying it is clearly reflected in the DENR's Upland Development Program for next year as he invited SFFI National Council President Renato De Rueda to be a consultant to the department which the latter gladly accepted.

At the same time, Atienza appealed to the foresters to be very conscientious in performing their duties and, if possible, not to issue tree-cutting licenses of any sort for the meantime.

"Be very careful and prudent in processing and endorsing any wood-cutting related businesses and activities," he admonished.



DENR secretary Jose Atienza, Jr. speaks before the members of the Society of Filipino Foresters emphasizing the vital role it will play in combating climate change.

Atienza said that one of the current major man-made problems of the world is climate change and the consensus made among nations which participated in the recent Bali conference he attended was that we must act today to correct man's abuses to the environment.

"The most effective solution to climate change is reforestation and forest protection," Atienza pointed out.

Atienza said that the Philippines used to have 15 million hectares of forest cover which diminished to only 4 million hectares during the Martial Law period; however, the country is slowly recovering, now with having 7 million hectares of forest cover.

Atienza announced that his department's Upland Development Program for next year includes massive reforestation which will be undertaken and sustained by the upland dwellers including the indigenous people themselves, thus, providing income opportunities for them.

Atienza added that the DENR will work closely with local officials, the NGOs and the church. The SFFI convention was also attended by Bohol Governor Erico Aumentado and Tagbilaran Mayor Dan Lim.

Main source: <http://denr.gov.ph/>



Partners in Combating Climate Change. DENR secretary Jose Atienza, Jr. (fourth from the right, seated) flanked by SFFI officers including its president, forester Renato de Rueda (to the right of Atienza) during its 60th Anniversary and Annual Convention in Tagbilaran City.

PWPA Joins Asia Pacific Regional Forum on Bioenergy

The Asia Pacific Regional Forum on Bioenergy using wood waste and residues was convened on October 14-17, 2008 in Jakarta by the International Tropical Timber Organization (ITTO) in cooperation with the Food And Agriculture Organization (FAO) and hosted by the government of Indonesia.

The Forum, a follow-up of the International Conference on Wood-based Bioenergy (WBB) held in Hannover, Germany in May 2007, was formally opened by Indonesia's minister of forestry as ITTO executive director Emmanuel Ze Meka encouraged the participants to share their experiences and knowledge on the WBB.

Delegates from Indonesia, Cambodia, Fiji, Malaysia, Myanmar, Nepal, the Philippines and Thailand participated in the Forum together with those from Brazil, Canada, Germany, Italy and USA. The Forest Products Research and Development Institute (FPRDI) and the Philippine Wood Producers Association (PWPA) represented the Philippines.

The Forum took note of and deliberated on the contents, conclusions and recommendations of the ITTO Conference in Hannover as well as outcomes from other recent international or regional events/workshops centering on: a) resource and information; b) policies and strategies for development and c) technologies and innovations.

The results of the Jakarta proceedings were made as the basis of the conclusions and recommendations to facili-



Bioenergy for Asia-Pacific Region. Delegates of the forum poses during their visit to the Museum of the Ministry of Forestry in Jakarta, Indonesia.

tate the planning and operational steps of Asia Pacific member countries of ITTO for sustainable development of a WBB sector.

Speakers from other organizations like the FAO shared their global perspectives on WBB development and the elements to be considered for a road map to develop sustainable use of wood wastes and residues for energy generation.

The delegates from Cambodia, Fiji, Indonesia, Malaysia, Myanmar, Nepal, the Philippines and Thailand presented their country papers on WBB status with emphasis on wood wastes and residues.

In the Philippines, wood processors are using their wood wastes as one of the sources of energy, reported by FPRDI engineer Belen Bisana and the PWPA forester Maila Vasquez.

Dr. Tetra Yanuariadi of ITTO said many developing countries have the potential to develop an efficient and effective WBB sector that will help them meet their energy needs while protecting the environment. He added that the benefits from the promotion of WBB are vital to efforts at creating greater value for tropical forests and strengthening forest management thereby supporting economic development efforts.

The Forum agreed that WBB using wood wastes and residues can have a significant role in the energy sector; thus, the government should consider including it as one of the possible sources of energy.



Participants at Work. PWPA forestry and environment coordinator Maila Vasquez shares Philippines' experiences on resources and information during the Asia Pacific regional Forum on Bioenergy using Wood Wastes and Residues on October 14-17, 2008 at Jakarta, Indonesia. With the group are delegates from Cambodia, Indonesia, Myanmar, Thailand and representatives from ITTO.

DTI holds Standards and Conformance Conference

In celebration of the Consumer Welfare Month, the National Standards Week and the World Standards Day, the Bureau of Product Standards of the Department of Trade and Industry held its 7th Standards and Conformance Conference on October 17, 2008 at the Mandarin Oriental Hotel, Makati City.

With the theme "Intelligent and Sustainable Buildings," the conference focused on how international standards can help ensure not only the basic safety requirements but also the incorporation of new technologies for the construction of intelligent and sustainable buildings.

One of the topics of the conference was to update stakeholders on the latest trends on construction materials. Dr. Rico Cabangon of the Forest Products Research and Development Institute of the Department of Science and Technology presented a paper on wood as a construction material.

He said wood has three characteristics that can help mitigate climate change, namely: a) renewable; b) stores carbon; and c) can be produced using low fuel processes. He added the best way to use forest as a carbon sink is by harvesting timber and convert it into construction products that trap carbon throughout their life.

With the issue on climate change, the promotion of the green construction becomes necessary. A study revealed that improved building practices are some of the quickest and cheapest way to reduce greenhouse gas emission. Following the guidelines for going green such as "reduce, reuse and recycle," will go a long way in mitigating climate change or global warming.

The conference also gave recognition to the new PS Mark, existing PS licensees and ICC holders.

Industry coordinator Ricardo Patawaran represented the Philippine Wood Producers Association in the conference.

10 Years, 10 Million Trees - Legarda

Luntiang Pilipinas launched its newest project called "10@10" on October 14, 2008 at the Kweba, Rizal Park, Manila City.

The project is a 10 million trees online campaign to complement other initiatives to help mitigate the risks and grave threats to health and security brought about by climate change.

It is a nationwide campaign enjoining valuable contribution of individuals, private corporations and businesses as well as national and local government agencies in planting 10 million trees in areas of their choice by 2011.

Senator Loren Legarda, who founded Luntiang Pilipinas in 1998 to raise the level of awareness of the Filipino public on the value of trees, repeated her call on the Filipinos to plant trees, saying the move will put the country on the right track in its bid to achieve 10 more million trees in the next ten years.

"Through this important activity, Luntiang Pilipinas hopes to forge stronger partnership and broaden its network with various stakeholders or sectors of our society in the hope of securing a better, cleaner and safer environment for our children and our children's children," she said.

Present during the celebration were Manila Mayor Alfredo Lim, DENR undersecretary Eleazar Quinto, Department of Agriculture-Bureau of Plant Industry director Joel Rudinas, Habitat "president Margie Moran Floreindo, among others.

At the same time, Legarda also launched her newest website – www.lorenlegarda.com.ph – through which interested parties may enter their pledges to plant as many trees as they can in the areas of their choices.

A memorandum of agreement between the Department of Environment and Natural Resources (DENR) and the Luntiang Pilipinas was signed which will provide, among other things, a policy direction on environment and natural resources programs such as the Ten Million Trees Program of the Luntiang Pilipinas Foundation.



10@10. Senator Loren Legarda repeated her call on the Filipinos to plant trees, saying the move will put the country on the right track in its bid to achieve 10 more million trees in the next ten years.

10 million trees in areas of their choice by 2011.

*Of Cooperation, Plantation Management and Wood Prices**by Tony Olizon*

Cooperation - is really wanting from the DENR offices with PWPA on the issue of requiring – wood processors/suppliers/buyers/bidders of wood products – a certificate of Good Standing from PWPA or any other DENR accredited association before their documents can be approved by the regional DENR officials. This requirement could help weed out the unscrupulous players in the wood industry.

xxx

We informed a DENR Regional officer of the proliferation of undocumented wood products (lumber and flitches) that are abundant in the local market to the prejudice of the legitimate lumber suppliers. The reply we received was for us to pinpoint exactly where these illegal wood are coming from. I think that the police and intelligence work is the responsibility of the DENR Regional officers and for the private sector to give some initial info should be enough.

xxx

Do you know that in 2007, fifteen percent (15%) of all cars sold in Sweden can run on ethanol, up from 2% in 2000. A car running on ethanol made from sugar cane or cellulose is estimated to emit 85 to 90 per cent less greenhouse gases than gasoline – powered car. All the major Swedish motor vehicle manufacturers including Scania, the largest truck manufacturer in Europe, now offer flexible – fuel cars or trucks, which run on either ethanol, conventional gasoline, or a blend.

Sweden is not resting easy on major strides that have been made. In 2005, the Swedish government announced its goal of making Sweden “the world’s first oil-free economy” starting with an existing Bio-fuel Region, an area covering 22 municipalities along the Gulf of Bothania, about 320 kilometers north of Stockholm. In this region, lower-emission is readily available at prices that are as economical as ordinary gasoline.

How was this accomplished? Did the government intervene in a major way of by pumping in massive subsidies, hiring thousands of people, or leading heavily-funded research? No such government-orchestrated effort has been launched. Instead, countless local networks developed quietly catalyzed by the efforts of small groups of committed and courageous leaders.

xxx

We congratulate and continue to support Miss Odette Alcantara, the country coordinator of EARTH DAY NETWORK Phils, Inc. and currently the co-chair of the ZERO BASURA Olympics 2008-2009, on her crusade on the Ecological Solid Waste Management and the ZERO BASURA Olympics.

xxx

Willing and Able. We have been informed that the DENR 2009 budget has allocated a substantial amount for reforestation. It is our hope that the DENR will ask the PWPA to participate in this undertaking because our members have the expertise and the experience to contribute to a

massive reforestation program.

Our members have good track records on plantation management. And we are more than willing to venture into industrial tree plantations, not only because of our love of country and concern for the environment, but because most of our members need a perpetual supply of raw materials for their processing plants.

I believe that upland farmers will be greatly motivated once they experience the benefits and rewards of planting trees. Planting trees because people are paid for it will not assure the government or the investor of success. The planter has to see a commercial or long term reward for his effort so that he will ensure the survival and nurture those trees to maturity.

We must also remember that wood is a renewable resource.

xxx

Prices of wood have started to fall drastically in recent weeks. Construction projects have slowed down and the economy in general appears bleak, especially for the wood manufacturing sector.

Some plywood plants have rescheduled their annual equipment maintenance long before the Christmas season. A handful of those we have spoken with told us they will temporarily close their plants by early November to avoid additional losses from operations for the remainder of the year.

Raw material supplies are also a factor to consider. Production costs have significantly increased because of the rise in fuel prices. The volume of log supply has also been negatively affected by the third quarter adverse weather conditions especially in Mindanao.

xxx

On the lighter side, be amused by this dialogue about the mechanic and the doctor...

“A mechanic was moving a cylinder head from the motor of a Harley motorcycle when he spotted a well-known cardiologist in his shop.

“The cardiologist was there waiting for the service manager to come take a look at his bike when the mechanic shouted across the garage, ‘Hey, Doc, want to take a look at this?’

“The cardiologist, a bit surprised, walked over to where the mechanic was working on the motorcycle. The mechanic straightened up, wiped his hands on a rag and asked, ‘So, Doc, look at the engine. I open its heart, take the valves out, repair any damage and put them back in, and when I finish, it works just like new. So how come I make \$39,675 a year (pretty small salary) and you get the really big bucks (\$1,695,759) when you and I are doing basically the same work?’

“The cardiologist paused, smiled and leaned over then whispered to the mechanic...

“ ‘Try doing it with the engine running.’ ”

Collaborative Forest Management in a Sustainable Development Unit

by Ricardo M. Umali¹
and
Bernardo Agaloo, Jr.²

Sustainable forest management (SFM) is the Philippine government's main policy thrust for managing the country's forests with the community-based forest management (CBFM) as the main strategy for SFM implementation. The watershed and ecosystem management (WEM) framework promotes the use of natural watershed boundaries as integrative units for planning and implementation of sustainable development programs and projects.

These government forest policies provided the basic rationale and enabling conditions for the recently completed three year ITTO-funded project *Integration of Forest Management Units (FMU) into Sustainable Development Units (SDU) through Collaborative Forest Management in Surigao del Sur, the Philippines*, a pioneer of sustainable forest management study in a forest-based 'mountain to coast' sustainable development unit. It built on the gains and lessons learned from pd 35/96 Rev. 2(F) *Conservation and Maintenance of Biological Diversity in Tropical Forests Managed Primarily for Timber Production, Surigao del Sur, Philippines*.

A sustainable development unit or SDU is a biophysical, socio-economic management setting that aims to achieve the multiple benefits of participatory sustainable resource management for present and future generations.

This project was implemented by SUSTEC in the delineated area of East Diwata SDU. The SDU is located on the northeastern coast of Mindanao encompassing the northern portion of Surigao del Sur, a coastal province of Caraga Region. The SDU covers a total area of 325 491 hectares of which roughly 75% is classified as permanent forest lands and about 60% is still covered with forests. It consists of 61 distinct watersheds each with outlet(s) draining to the coastal area.

Objectives and strategy

It implemented and showcased sustainable forest management at the FMU level, highlighting how the tropical timber resource base can be improved and harnessed to contribute optimally and jointly with other sectors towards attainment of sustainable development at the SDU/local level.

The project strategy adopted was to develop an integrative planning framework and mobilize the SDU's stakeholders in planning and implementation of sustainable forest management interventions. It revolved around the implementation of the long-term SFM plan initially developed for the SUDECOR concession, aligned within an integrative SDU framework.

Outputs

The project produced an SDU management and development framework acceptable to stakeholders and formulated and implemented an action plan for SFM in the SDU within the project duration of three years.

The outputs demonstrated that forest management units (FMUs) can be integrated into the SDU through a mutually agreed multi-stakeholder collaborative framework and participatory action planning.

Impacts

The main impact of the project is providing the necessary model and participatory approaches to strengthen the forestry sector's input to integrated watershed and ecosystem management. It initiated a paradigm shift among participating stakeholders. The SDU paradigm favors integrative thinking and made stakeholders realize how their interests (FMUs, ancestral

domains, CBFM areas, etc.) were interrelated in the pursuit of sustainable development.

The stakeholders were provided with a collaborative framework and an action plan which will guide their future activities towards SFM in the SDU. They received management information/ tools and learned how to use C&I for forest management, monitoring and evaluation. They were assisted with identification and feasibility studies on priority livelihood projects and provided with seed money to start some priority collaborative projects. In short, the SDU and its various stakeholders were adequately provided with an institutional and management roadmap of the way forward to SFM through collaborative management.

Conclusions and Recommendations

The project has demonstrated that FMUs can be effectively integrated within the larger SDU context through collaborative forest management amongst all key stakeholders. The development objective to have an integrated sustainable development framework to improve and accelerate SFM in the Philippines has been initiated at pilot scale at the East Diwata SDU. The progress towards SFM and sustainable development is a long-term and dynamic process which is reflected in the medium-term action plan for sustainable forest management (MTAP) for SFM spanning 25 years. Priority livelihood projects have been identified and started initial operations. On-going and future projects by stakeholders supporting SFM can make use of the actions and guidelines in the action plan. The MTAP for SFM has initiated positive moves towards SFM. It needs to be internalized at all levels of the stakeholder organizations, including incorporating it into their operations plans.

The SDU paradigm has proven an effective integrator of the bio-physical and socio-economic dimensions of SFM and sustainable development and an effective instrument for mobilizing stakeholders to organize themselves within a collaborative framework and undertake participatory action planning aimed to attain SFM.

The activities of the project should be replicated in adjacent forest-based SDUs and in other types of SDUs in other parts of the country. It can also be used as a model by other ITTO tropical timber producing members in emerging approaches to integrated watershed management linked to sustainable development as espoused by FAO and other international organizations and processes.

Technical assistance remains necessary to train all stakeholders in implementing the MTAP-SFM. Such assistance will strengthen the gains achieved by this ITTO-funded project. The key elements for a follow-up project include:

- capacity-building on SFM within the SDU paradigm;
- Appropriate micro-enterprise support/micro-financing in poverty stricken areas;
- Technical assistance and funding of collaborative livelihood projects, e.g. agroforestry, wood waste utilization, etc; and
- Adequate financial support for EDSSA, including identification and implementation of revenue generating projects for the association.

Source: ITTO Tropical Forest Update 18/2 2008

¹ Project director PD 167/02 Rev.2(F) and president of SUSTEC

² Assistant project director

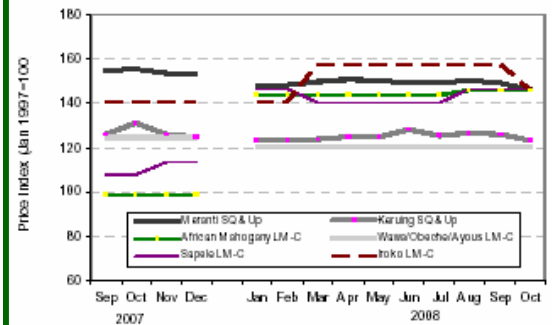
Snapshot of the Tropical Timber Market

The downturn of many markets around the globe began to have a visible impact on demand and prices of tropical timber products. Malaysian and Indonesian plywood and sawnwood prices have fallen. Japan's imports of logs and lumber have dropped sharply and buyers have not continued purchasing Southeast logs due to high prices and weak demand.

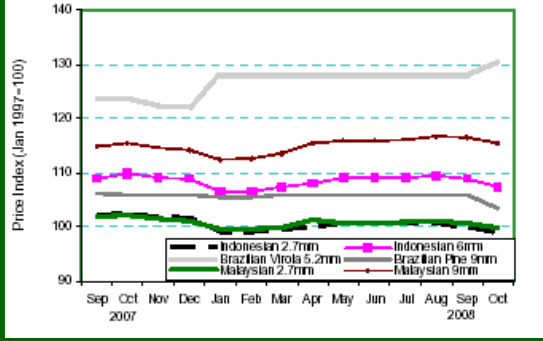
China's export trends for the first eight months of 2008 showed a fall in the value and volume of most wood products as a result of waning US demand.

The graphs show the price trends of tropical timber.

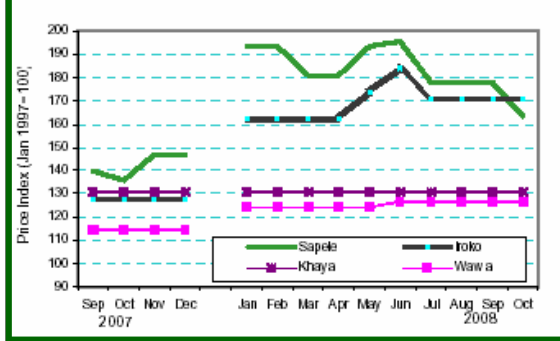
Tropical Log FOB Price Trend



Tropical Plywood FOB Price Trend



Tropical Sawnwood FOB Price Trend



Source: ITTO Tropical Timber Market Report, 16-31 October 2008

On the tariff rates in the Philippines, PWPA executive vice president and Plywood Council chairman Alfonso Keh, Jr. said executive order 617, s. 2008 has modified the AFTA/CEPT tariff lines of 2004; in the case of plywood, from 9 tariff lines to 6 lines of which 2 have a 5% rate of duties and the rest, zero. He added that it has also modified the tariff descriptions where before, plywood had many tariff line descriptions; now, it is merely described as non-coniferous and others.

In the case of lumber, veneer, particleboard and fiberboard, their corresponding tariff headings were reduced to zero% under CEPT scheme.

Keh, Jr. said tariff rates of plywood from China is still at 8%.

Average Plywood and Substitute Prices Survey in NCR

	Before (Oct. 29, 2008)	Now (Nov. 17, 2008)		Before (Oct. 29, 2008)	Now (Nov. 17, 2008)
	(in Pesos/piece)			(in Pesos/piece)	
3mm (1/8) plywood	217	215	18 mm (3/4) plyboard	790	790
4 mm (3/16) plywood	284	282	1/8 lawanit	203	193
5 mm (1/4) plywood ordinary	304	306	3/16 lawanit	266	256
5 mm (1/4) plywood marine	344	348	1/4 Hardiflex	385	390
10 mm (1/2) plywood	552	564			
18 mm (3/4) plywood ordinary	882	875			

Note: all pick-up prices inclusive of VAT retail prices

On Proposed DENR Administrative Orders

Four proposed regulations, prepared by the Forest Management Bureau (FMB), and the subject of stakeholders consultative meeting held on September 23, 2008 at the FMB, Quezon City, intend to revise those existing on the importation and exportation of forest products including wood; the harvesting of planted trees in private lands; and the government share from IFMA and SIFMA.

The justification or reasons for proposing the revisions of the existing regulations; the positions made by the stakeholders, including the PWPA's; and the actions taken on the proposed regulations are hereunder summarized.

PROPOSED DENR ADMINISTRATIVE ORDER NO. 2008 –

Subject. Revised Regulations Governing the Entry and Disposition of Imported Logs, Lumber, Veneer, Plywood, Other Wood-based Panels, Poles and Piles, Pulpwood and Wood Chips.

The above-cited regulations intend to revise DENR Administrative Order No. 1999-46.

Reasons for Revising:

- To simplify the regulations by consolidating a number of amendments made on DAO No. 1999-46, such as adding new ports of entry for imported wood products and the posting of the Notice of Particulars on vehicles hauling the imported wood products from the port of entry to the importer's or consignee's premises; and
- To increase the forestry administrative fees.

Positions of the Stakeholders:

- There may not be a need to revise the existing regulations, as amended, as there are no material or substantial problems being complained of by the stakeholders; on the contrary, they are comfortable with the status quo, as it were. Neither are there material or substantial changes the DENR intends to introduce in the matter of wood products importation; and
- There are flaws in the form or presentation of provisions in the proposed regulations that, if not corrected, could create confusion if they were promulgated and implemented.

Action Taken: For further consideration.

PROPOSED DENR ADMINISTRATIVE ORDER NO. 2008 –

Subject. Revised Rules and Regulations Governing the Exportation of Forest Products

The above-cited regulations intend to revise/

repeal DENR Administrative Order No. 1988-33 and No. 1991-54.

Reasons for Revising:

- To streamline the procedures for exporting forest products, including wood; and
- To impose application, inspection and certification fees on forest products for export.

Positions of the Stakeholders:

- Again, since there has not been any complaints from stakeholders concerned on the present procedures of exporting forest products, including wood, there seems no urgent need to revise the existing regulations;
- The documentary requirements seem to be numerous and the procedures seem to become tedious in the proposed regulations, belying the objective of streamlining; and
- The revision of the regulations could be justified if the DENR were to introduce substantive provisions like incentives for, and promotion assistance, to export the government is currently encouraging.

Action Taken: For further consideration.

PROPOSED DENR ADMINISTRATIVE ORDER NO. 2008 –

Subject. Revised Guidelines Governing the Utilization and Transport of Planted Trees and Tree Plantations in Private Lands

The above-cited regulations intend to revise DENR Administrative Order No. 2004-04.

Reasons for Revising:

- To require the registration with the DENR of tree plantations in private lands and the issuance of Certificate of Tree Plantation Ownership; and
- Mapping of the tree plantation area using Universal Traverse Mercator (UTM).

Positions of the Stakeholders:

- Except for the above reasons – that small land holder-tree farmers even find difficult to comply with – the proposed regulations essentially are no different from DAO No. 2004-04, that, parenthetically, was jointly crafted by the DENR and PWPA; and
- As much as possible, there should not be any government (DENR) intervention on the planting, harvesting and transportation of trees in private lands – these trees are considered agricultural crops, per opinion of the Depart-

ment of Justice – so as to encourage more tree planting in private lands; and

- The revision is welcome if it is a way of recapturing the intents/objectives of DAO 2004-04, that seems to have been set aside by the so-called transaction-costly Self-Monitoring Form Regulations.

Action Taken: For clarification of regulations currently governing on planted trees in private lands.

PROPOSED DENR ADMINISTRATIVE ORDER NO. 2008 –

Subject. Prescribing the New Rate of Government Share for Integrated Forest Management Agreement (IFMA) and Socialized Industrial Forest Management Agreement (SIFMA)

The above-cited regulations intend to repeal pertinent provisions of DAO No. 1999-53 (IFMA Regulations) and No. 2004-30 (SIFMA Regulations) in so far as the government share provided therein are concerned. The proposed share (in the form of economic rent) in either IFMA and SIFMA shall be P450/hectare/year beginning on the 6th year from the issuance of the agreement.

Reasons for Revising:

- In DAO No. 1999-53 (IFMA Regulations), there is no specific/specified government share, except the pertinent provision that the share of the government shall be subject of negotiation between the DENR and the IFMA holder; and
- In DAO No. 2004-30 (SIFMA Regulations), the government share is as follows:

Free	-	Year 1 to year 5
P 300/ha/yr	-	Year 6 to year 10
P 500/ha/yr	-	Year 11 to year 25

Accordingly, the rate/schedule of the share is beyond the capacity of SIFMA-holders to pay.

Positions of the Stakeholders:

- To discuss the study/basis for arriving at an across-the-board government share at P450/ha/yr, beginning on the 6th year from the issuance of the agreement;
- The share or economic rent to be divided equally between the government and the agreement holder not only contravenes the essential philosophy of ITP, TF and AF but unfair to the agreement-holder investors.

Action Taken: For further consultation or discussion.



(LeftPhoto) Senator Francis "Chiz" Escudero speaking before the members of the Federation of Philippine Industries during its General Membership Meeting held on October 27, 2008 at the Hotel InterContinental Manila, Makati City. (Right Photo) The Philippine Wood Producers Association is one of the organizations who attended said occasion. (L-R) PWPA director Ramon Uy, Ms. Heidi Ng of LUZMATIM, Mr. John Niño Hung of Intergreen Resources Inc., PWPA chairman Fernando Lu, president Antonio Olizon, director Alex Ong and executive director Leonardo Angeles.

Commitment to Wise Use of Energy. PWPA executive director Leonardo Angeles (right) presented to DOE secretary Angelo Reyes the PWPA's pledge of commitment to support the government's National Energy Efficiency and Conservation Program during the 26th National Quality and Productivity Congress held last October 3, 2008 at the AIM Conference Center, Makati City.



Energy Wise Competitiveness. DOE secretary Angelo Reyes (center) joined the open forum during the 26th National Quality and Productivity Congress.

PWPA in Events

Date	Meetings/Events	PWPA Representatives
Sept. 2	Interview by Ms. Maria Rosalia O. Llave, Credit Evaluation and Analysis Management Unit of BDO re: Local Demand and Supply for Wood Manufacturing Industry	ED Leonardo D. Angeles and FEC Maila R. Vasquez
	Tariff Commission Meeting	ED Angeles and IC Ricardo M. Patawaran
15	2 nd TWG Meeting on the Proposed Legislative Measures on the National Land Use Act, Senate of the Philippines, Pasay City	ED Angeles
18	PCARRD Governing Council, DOST, Bicutan	ED Angeles
19	Plywood Council Meeting, Gloria Maris, Greenhills, San Juan City	EVP & PC chair Alfonso C. Keh, Jr., & members. Host: Richmond Plywood Corp.
19	38 th World Standards Day, DTI, Makati City	IC Ricardo M. Patawaran
23	Meeting with FMB re: Revision of DAOs & Proposal of New DAOs, FMB, Quezon City	ED Angeles
30	57 th Annual General Assembly Steering Committee Meeting PWPA Board Room, Makati City	Chair Lu, President Olizon, EVP Keh, Jr., VP-directors Ramon Y. Uy (chair: SC) and director Alex P. Ong, ED Angeles, Mgr. Serafico and FEC Vasquez

Date	Meetings/Events	PWPA Representatives
Oct. 2	DTI MOA Signing, Makati City	President Olizon
3	26 th National Quality & Productivity Congress, Makati City	ED Angeles, FEC Vasquez
8	Meeting with Mr. Matt Boveland of Poyry Forest Industries, Makati City	VP-director Uy, ED Angeles
10	Meeting with RI Chemical Corp., Pasig City	Chair Lu, EVP Keh, Jr., directors Jhonny M. Young and Ong, Mssrs. Randy Ng, Willy Dizon, Florio Bunag and Russel Tantuco
14	Luntian Pilipinas launching of website: a Ten at Ten, Rizal Park, Manila	Office secretary Aurea DG Mira
16	Plywood Council Meeting, Annapolis Seafood, Greenhills, San Juan City	EVP & PC chair Keh, Jr., and members and ED Angeles. Host: EMCO Plywood Corp.
14-17	Asia Pacific Regional Forum on Wood-based Bioenergy using Wood Wastes & Residues, Jakarta, Indonesia	FEC Vasquez in the Philippine delegation
22	57 th Annual General Assembly Steering Committee Meeting, Makati City	Chair Lu, President Olizon, EVP Keh, Jr., VP-director Uy, ED Angeles, Mgr. Serafico and FEC Vasquez
27	FPI General Assembly Hotel Inter-con, Makati City	Chair Lu, President Olizon, VP-directors Uy and Ong, ED Angeles, FEC Vasquez, Ms. Heidi Ng of LUZMATIM

Note: EVP – Executive VP; VP – Vice President; ED – Executive Director; Mgr.– Manager; FEC – Forestry & Environment Coordinator; IC – Industry Coordinator; FEA – Forestry & Environment Adviser; SA – Systems Analyst; PC - Plywood Council; SC - Steering Committee

The Philippine Wood Producers Association
 3/F LTA Condominium Building
 118 Perea Street, Legaspi Village,
 Makati City 1229



RI CHEMICAL CORPORATION






A trusted player in the synthetic resins industry

- ◆ With over 50 years of tradition in chemical manufacturing.
- ◆ Serving several essential industries locally and internationally.
- ◆ Committed to building a winning organization that fosters excellence, creativity, and innovation and safeguarding the community and the environment.

Our Major Products

Our **ALKYD, PHENOLIC, ACRYLIC, MALEIC, EPOXY AND EMULSION RESINS** are used widely by the paint industry for architectural and industrial coatings.

Our **UNSATURATED POLYESTER RESINS (UPR)** are raw materials for the handicraft industries, for the fabrication of boats, vehicle components, for furnitures and a large variety of industrial, architectural and consumer products.

Our **URES (Urea Formaldehyde Adhesives), PHENORES (Phenol Formaldehyde Adhesives), and HOTMELT ADHESIVES** are used by all the plywood mills, particle board and Laminated Veneer Lumber (LVL) plants in the Philippines.

Our **POLYVINYL ACETATE ADHESIVES** are used by the woodworking and packaging industries.

Plant & Sales Office

• Resins Inc. Compound, E. Rodriguez Jr. Ave., Bagong Ilog, Pasig City 1600
 • Tel: +632-671-9842 to 53 • Fax: +632-671-2825
 • E-mail: info@richem.com.ph • Website: www.richem.com.ph